

Collaborative
Marketing: Wave of
the Future or the
Next Great Scheme?



Can farms survive on
direct marketing
alone? Can farmers work together
to sell their products?

Why Collaborative Marketing?

- ▶ Marketing is time and labor intensive
- ▶ Ability to cooperate opens up more markets
- ▶ Brand recognition
- ▶ Ability to provide more of a “full diet” to buyers
- ▶ Increase customer base → But who are your desired customers?

Collaborative Marketing ≠ Cooperative Marketing

- ▶ Cooperatives are businesses owned and controlled by the people who use them. Cooperatives differ from other businesses because they are member owned and operate for the mutual benefit of members. Like other businesses, most cooperatives are incorporated under State law. (National Council of Farmer Cooperatives)
 - ▶ Types: Marketing, Bargaining, Supply, Credit
- ▶ Collaborative Marketing, in a nutshell, is the process of sharing resources to increase leads, brand, and influence. (Forbes Magazine)

Setting the Stage

- ▶ We asked farmers if they currently do any collaborative marketing and to list their challenges as well as successes
 - ▶ Avenues included: health food/local food stores, csa using multiple farms, co-selling at farmers markets, etc...
 - ▶ Challenges included: time, not enough supply, not on a regular basis, not anyone with similar quality of product to work with, etc...
 - ▶ What resources did they use → none currently existed or what existed they didn't find useful

Who Does This Apply to?

- ▶ Producer groups (honey, etc...)
- ▶ Those selling wholesale to restaurants, local foods/health food stores, and co-selling products at farmers' markets to fill out offerings

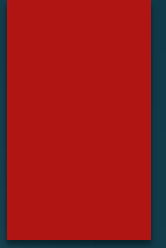
Lessons Learned Part I

- ▶ Farmers want to work together on an in-formal basis – working with another farm is still done “on a handshake”
 - ▶ → getting them to try and lock into a contract, even if it's on a trial basis was not happening
- ▶ Collaborative marketing (similar to cooperatives) needs someone who can be the “driver” and marketing is still not a strong suite for many producers
- ▶ Agri-tourism farms who band together for “farm trail” type events were more interested in this model as it related to marketing of time-specific events

Lessons Learned Part II

- ▶ Honey producers were interested in the potential as it related to wholesale opportunities, such as regional markets and TasteNY markets
- ▶ Resources exist for cooperatives but very little for collaboratives that wasn't theoretical → materials had to be created and tested, but see #1
- ▶ It is essential for farms considering collaborative marketing to understand where their brand fits in the market, their strengths, and weaknesses. → It was good for farmers to go through the “checklist” to determine if collaborative marketing was for them.

What Resources Are Available to Help Facilitate Collaborative Marketing



Marketing Agreement

This Marketing Agreement (this "Agreement"), dated as of October 01, 2014 (the "Effective Date"), is between Farm A, ("Farm A") located at 123 Farm Lane, Farmersville, New York 12345 and Farm B, ("Farm B") located at 456 Production Way, Bakersville, _____ . Farm A and Farm B are sometimes individually referred to as "Party" and collectively referred to as the "Parties."

WHEREAS, Farm A and Farm B desire to establish a non-exclusive strategic marketing agreement whereby each Party will promote the other Party's products to its customers. This Agreement may be modified from time to time in the form of a written instrument signed by both Parties (an "Amendment"). The terms of any Amendment executed during this Agreement will be subject to the terms of this Agreement unless otherwise stipulated in the Amendment.

1. SCOPE OF ACTIVITIES. The Parties will undertake the activities listed in Appendix A.

The Parties acknowledge that their respective obligations to undertake the activities listed in Appendix A serve as good and valuable consideration for this Agreement.

2. REPORTING. Within ten (10) days after the end of each calendar month during the Term, the Parties will provide each other with (or provide access to) a monthly report of data that will let the other Party determine the value (traffic, completed sales, revenues, etc.) derived from individual activities as described in this Agreement.

3. TRACKING OF USERS.

a. Farm A will use and implement reasonable tracking mechanisms in order to permit Farm B to accurately track users linking from the Farm A Site to the Farm B Site and purchasing Farm B Services.

b. Farm B will use and implement reasonable tracking mechanisms in order to permit Farm A to accurately track users linking from the Farm B Site to the Farm A Site and purchasing Farm A Services.

4. LICENSES. Each Party grants to the other a non-exclusive, non-transferable, royalty free license to use each other's trade names, trademarks, logos and service marks (collectively Marks) in connection with the performance of this Agreement. Neither Party shall use any of the Other Party's Marks for any purpose without first obtaining the prior written advance consent of the Party whose Marks are to be used. Neither Party will alter or permit alteration of, or remove or modify or permit removal or modification of, any of the Other Party's, or other identifying marks placed by the Other Party or its agents on the products or associated documentation or literature, without the Other Party's prior written approval. Except as specifically provided in this Agreement, nothing in this Agreement shall confer upon either Party any right, title or interest in any of the Marks or goodwill of the Other Party. Each Party acknowledges that the Other Party's Marks and any related goodwill are the sole and exclusive property of the Other Party, and each Party agrees not...

This is a RocketLawyer.com document.

Checklist for Evaluating Collaborative Relationships

Marketing:

- Who is responsible for marketing the product(s)?
- How will my product be marketed?
- Will my product retain it's identity?
- Labels?
- How will my product be displayed?

Transportation:

- Who is responsible for transportation of product(s)?
- When is liability assumed?
- When is product required to be delivered?

Reimbursement:

- How will I be reimbursed?
- When will I be reimbursed?

Types of Products, Amounts, Timing, etc...

- What types of product(s) are looking to be purchased?
- How much?
- How often would delivery occur?
- Am I the only provider of this type of product? Are there competitors?
- What price can I expect to get for my product(s)?
- Any food safety requirements?

Alignment of farm mission, values, personality, etc...

- Does this farm/business mission, values, personality align with mine?

Where Will Products be sold?

- Farmers Market stand
- Farm store
- Health food store
- Restaurant Menu

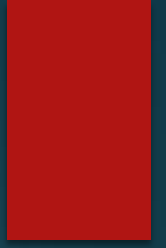
How Will products be sold?

- Consignment
- Outright purchase
- Am I locked into selling for a certain period of time?
- What recourse does either partner have to back out of agreement?

So What's Next....

- ▶ Continue to cultivate networks:
 - ▶ Producer groups such as Southern Tier Beekeepers are interested in cooperating to fill demand in venues such as TasteNY and the new Binghamton Regional Farmers' market by creating a brand
 - ▶ Farms (and other businesses) participating in the bi-annual Open Farm Weekend want to continue to explore ways to collaborate and encourage visitors to multiple stops through more synergistic marketing methods
 - ▶ Potential for export markets will demand collaboratively marketing products
- ▶ Resource Updates:
 - ▶ Continue to refine and utilize the resources created to help farms understand how they should think through collaborative marketing opportunities

Group Discussion



I want to hear from you....

- ▶ Do you have any farmers who collaboratively market with others?
 - ▶ How do they make it work?
 - ▶ What brought them together?
 - ▶ Was it short term or long term?
- ▶ Do we need collaborative marketing?